Charter schools: Finding out the facts: At a glance

For almost two decades, charter schools have evolved as a way to experiment with education innovations and provide public school choice. The charter school concept has attracted significant interest—and scrutiny—from the nation's education leaders. While sometimes hailed as a model for raising student achievement, charters also are often misunderstood among the public at large. In fact, despite the unprecedented attention given to charter schools by President Obama and Education Secretary Arne Duncan, the majority of Americans have little understanding of this growing sector of American education. Since charter schools are poised for another growth spurt, understanding what charter schools are, and especially whether they work, is crucial. From the available research, it seems that the attention paid to charter schools outweighs the effect they have had on public education, either good or bad.

What are charter schools?

Simply put, a charter school is a non-religious public school operating under a contract, or "charter," that governs its operation. All details of school operation—its name, organization, management and curriculum—are set by the charter, which also outlines how the school will measure student performance. Since charter schools are publicly funded, they must have open enrollment policies, may not charge tuition, and must still participate in state testing and federal accountability programs.

One of the key differences between charter schools and traditional public schools is the regulatory freedom and autonomy from state and local rules (in terms of staffing, curriculum choices, and budget management) they receive in exchange for having their charter reviewed and renewed (or revoked) by the authorizing agency every few years.

This freedom and experimentation makes charter schools extraordinarily difficult to describe or evaluate at a national level. Rules on funding, operational requirements, and accountability vary widely among the thirty-nine states* with charter school laws. As a result, charter school organizers often must navigate multiple state and local requirements. For detailed state-by-state data see Table 2.

For school board members, one paramount issue is how each state decides how to approve new charter schools. See Figure 1 for data from the National Alliance for Public Charter Schools (2010) that illustrates the varied approaches.

To add to this mixture of governance models, many charter schools have another layer of administration: Educational management organizations (EMOs), which now run close to 30 percent of all charter schools throughout the United States. These organizations began in the 1990s, largely as for-profit entities, thereby injecting entrepreneurship into public schools. Initially, most for-profit EMOs simply took over management of existing public schools, primarily in urban areas. Today, however, such organizations also are active in charter school operation and management. For-profit EMOs run 16 percent of all charter schools.

As the charter school movement spread, many non-profit organizations have begun to operate and manage multiple charter schools—often across different states. Some researchers have dubbed these entities "charter management organizations," while others (including this paper) use the term "non-profit EMOs." Non-profit EMOs run 13 percent of all charter schools. See Figure 2 showing the largest for-profit and non-profit EMOs, which together run approximately 10 percent of all charter schools, enrolling 209,519 students.

For school board leaders just learning about charter schools, there's also a new entry in the sector to consider: The virtual charter. EMOs are creating a growing number of virtual or cyber charter schools, which deliver curriculum and provide instruction via the Internet and electronic communication. For-profit EMOs have increased the number of virtual

Charter schools and teachers

Based on available data, charter school staffs appear more diverse, have fewer years of experience, and are paid less than those at the typical public school. The 2003–2004 Schools and Staffing Survey of the National Center for Education Statistics shows teachers at public charters are more likely to be Black, Hispanic, Asian American, or American Indian than their counterparts at traditional public schools. No one has examined, however, whether some of this might be due to charter schools often being located in urban areas. The survey also shows charter teachers have less experience than those at typical public schools; more than one-fourth (29 percent) had less than three years full-time teaching experience compared wit 12 percent of those at traditional schoo Finally, while the average public schoo teacher earned $34,690, the typical charter school teacher was slightly behind at $32,070, or by about 8 perc Future research might examine if the comparison of the average charter s teacher salary accounted for charte school teachers' years of experienc by the longer hours worked by son teachers.

However, charters were more like traditional public schools to have differential pay levels. Hoxby's s showed that charter schools we to pay more for teachers with d from select colleges, with degr subject (such as history or En opposed to education, those v math/science skills, and thos

charter schools they operate from thirteen in the 2003–2004 school year to fifty by 2008–2009. Non-profit EMOs do not appear to be as interested in virtual charters, with only four schools in 2008–2009 (Miron and Urschel 2009a). Geographically, virtual charters appear to be concentrated in a handful of states, including Arizona, California, and Ohio. There is little research on virtual charters, and a recent review of research (Cavanaugh 2009) indicated "mixed outcomes" when comparing virtual charter school achievement with classroom-based charter programs. Evaluating virtual charter schools would have to take into account the different financial and instructional issues of online learning.

work extra hours beyond the regular school day.

With all of these different governance models, is there conclusive research showing how various governance models affect schools' performance? Unfortunately, not yet. The base of rigorous research for charter schools is still in its infancy. However, two preliminary results have emerged:

- States that allow multiple authorizers—from municipal agencies to colleges and non-profits—had the weakest student achievement data for charter students when compared to students at traditional public schools. A rigorous study by the Center for Research on Education Outcomes (CREDO) found "a significant negative impact on student academic growth" for charters in states that allow multiple agencies to authorize these schools. In effect, CREDO said, the presence of multiple authorizers allows charter organizers to "shop" for the most advantageous route to approval. Similarly, the RAND Corporation (Zimmer et al 2009), in analyzing eight states, found that Ohio had "an especially wide range of variation" in achievement, which the authors attributed to the state's "unusually diverse group of organizations to serve as charter authorizers."
- The CREDO study is the only large-scale study of charter schools that has tried to analyze the effect of caps. Study authors concluded that "States that have limits on the number of charter schools permitted to operate, known as caps, realize significantly lower academic growth [in charter schools] than states without caps." The study even predicts that when a state removes its cap, charter schools in that state "can expect a gain in academic achievement." This conclusion seems to contradict some of the study's other findings, which were that in some low-cap states, charter schools had higher academic gains than traditional schools, and in some high/no-cap states, charter learning gains were lower than traditional public schools. The issue of charter school caps is likely to gain additional attention in coming years, since states have been encouraged to lift or eliminate their caps to be more competitive when seeking funds under the U.S. Education Department's Race to the Top grant program.

For both of these points, it is good to remember that correlation is not causation; more research needs to be done to see if there is a relationship or if other factors are involved.

Charter school research: does it provide proof?

Given the varied nature of charter schools, it's logical that any evaluation of their overall impact would be difficult. Rigorous charter school research is, in fact, still in its infancy. Two recent meta-analyses have examined the existing research on charter schools: The National Alliance for Public Charter Schools (2009a) (NAPCS) and Betts and Tang (2008). The NAPCS report documented 210 charter school achievement studies, but rejected seventy outright since they did not meet the following criteria:

- Compare charter school achievement with that of traditional public schools
- Use serious research methods
- Examine a significant segment of the charter sector

The Betts and Tang meta-analysis was even more stringent. It identified only thirteen studies that had a high-quality design and collected enough data to calculate effect sizes.

The meta-analyses offered these insights about charter school research:

Most studies offer snapshots, not evaluations. Both meta-analyses noted that most charter school research falls into the "snapshot" category because these are the easiest and least expensive to do. However,

Studies are clustered in a few states. The NAPCS report expressed particular concerns that some states with large numbers of charter students (Michigan, Minnesota, and New Jersey) do not have a single longitudinal, student-level study published, and charter students in some of the states with significant recent growth in charter schools (Georgia, Louisiana, and South Carolina) have not received rigorous study at all.

Many studies focus on schools in a specific city or district, or a specific model or charter provider (such as KIPP). NAPCS (2009a) found that fifty-four of the two hundred ten studies they examined focused on a particular city or school district.

Charter schools and funding

It is important to note that while charter schools receive most of their funds from states, the federal government offers some funding through a competitive grants program. The U.S. Education Department's Charter Schools Program grew steadily in the first part of the decade, moving from $145 million in 2000 to $218 million by 2004. It remained flat

Few studies examine charter schools across states. Again, due to due the difficulty in analyzing charter schools, most studies are not able to collect and analyze data in more than one state.

A sizable portion of the research tends to be descriptive in nature, looking at the number of schools and students and describing charter legislation. While this information can be useful for policymakers, including school board members, the map of charters is ever-changing.

Charter schools and achievement: Conclusions from research

Given the nature of the research base, drawing broad conclusions about charter schools and achievement across the nation may be premature. Given their stringent qualifications, the two meta-analyses described above provide the best guidance. In addition, a more recent study (2009) from the Center for Research on Education Outcomes (CREDO) analyzed reading and math scores from charter students in 15 states and the District of Columbia and compared them to "virtual twins" based on student demographics, English language proficiency, and participation in special education or subsidized lunch programs. This report was one of the first to reliably compare charter school achievement across states. It examined the performance of charter schools compared to traditional public schools across 15 states and the District of Columbia – fully 70% of national enrollment in charter schools. These three reports offered the following observations about charter schools and achievement:

Benefits for elementary school reading and middle school math. In one of Betts and Tang's (2008) major conclusions, a majority of studies showed that charter schools performed better than traditional public school students in elementary school reading and middle school math. Similar results were found in the CREDO study. Where gains were evident, CREDO found, the success was generally in reading at the elementary school level and in reading and math at the middle school level.

Drawbacks in high school. Conversely, Betts and Tang found that charter schools underperform in math and reading at the high school level. The CREDO study also found no evidence of a net gain during high school. In addition, students in "multi-level" (i.e., K–8 or 7–12) charter schools underperformed counterparts from traditional public schools in both reading and math.

until recently, receiving $216 million from Congress for fiscal year 2009, when it received $256 million for fiscal year 2010. President Obama also proposed in his fiscal year 2011 budget to consolidate several initiatives into one program for expanding educational options, including charter schools, for $490 million.

If a state chooses not to participate or does not receive funding because it does not have a charter school law, the federal government can provide grants directly to charter school operators. Funding from Race to the Top or from school improvement grants can also be used for creating or expanding high-performing charter schools, as one of the school improvement intervention models school districts can choose to implement.

State policies on financing charter schools also are of significant interest, yet few studies have addressed this issue. Researchers at Fordham Institute, one of the few active in this area, have noted the difficulty in trying to collect such data. Finn, Hassel, and Speakman (2005) stated, "This analysis revealed beyond our wildest fears how uneven, incommensurable, and in many cases plain shoddy and gap-filled are state and local school-finance data. It's hard enough to figure out how much money flows into the coffers of district-operated schools in a given year, whence it comes, and what formulas govern the amount and shape the channels through which it flows. To find these things out for charter schools in any fashion that can begin to be compared with district (or state) data verges on impossible.

Some charters do better; the majority do the same or worse. CREDO also moved beyond individual student performance to examine the overall performance of charter schools across multiple subject areas. They found that while some charter schools do better than the traditional public schools that fed them, the majority do the same or worse. Almost one-fifth of charters (17 percent) performed significantly better (at the 95 percent confidence level) than the traditional public school. However, an even larger group of charters (37 percent) performed significantly worse in terms of reading and math. The remainder (46 percent) did not do significantly better or worse.

Results vary from state to state. Most studies found that performance varied based on students' location. It is noteworthy to compare state-by-state achievement with data on public school authorizers, though no study has directly analyzed the two.

Conflicting results for specific groups. Few multi-site or multi-state studies examine how specific racial/ethnic groups perform in charter schools, and those that exist often show conflicting results.

Given the research base, any explanation of *why* some charters succeed and others don't is speculative. A possible answer is that successful charter schools use strategies that research has proven are often effective—smaller schools, smaller class size, more school time, and greater parent involvement. It is not known whether hallmarks of charter schools—such as a lack of collective bargaining or greater autonomy—affect achievement. It is an area that should be researched.

Frederick Hess, education policy director at the American Enterprise Institute and a strong advocate for charter schools, notes that many charter sponsors rely on dedicated staff and a "missionary zeal" to succeed (Hess 2009). "The most successful charter ventures to date have been boutique-style operations that are extraordinarily reliant on talent and passion, philanthropic funding, and exhausting work schedules," (Higgins and Hess 2009). Yet, he notes, the "means of bringing them to scale have been elusive."

Charter schools across the nation

While charter school students enrolled just 3 percent of all public school students in 2008, the number of students (and schools) has risen dramatically in the past decade. In 1999, there were 1,542 charter schools with 349,642 students. By 2008, there were 4,618 charter schools with 1,407,817 students (National Alliance for Public Charter Schools 2009b).

As the enrollment numbers have grown, some in the education community have become concerned. The RAND Corporation's study (Zimmer et al 2009) attempted to evaluate whether charter schools are "skimming" the best students from local traditional public schools or re-segregating urban schools. RAND analyzed the academic achievement and demographic characteristics of students transferring into charter schools and found:

- Charter schools generally are not drawing the best students away from local traditional public schools. For example, previous test scores for students transferring into charter schools were near or below the averages for every location in the study. Only among white students did researchers find slightly higher test scores among those moving to charter schools.
- The racial composition of charter schools was similar to that of the traditional public schools the students previously attended.

A recent report by the Civil Rights Project (CRP) compared the percent of black students in racially isolated charter schools (charters schools enrolling 90 to 100 percent of black students) to the percent of black students attending racially isolated schools nationwide, with the conclusion that black charter school students were twice as likely to attend racially isolated schools. However, the majority of charter schools are in large urban districts, which are more racially isolated than other districts. So it cannot be determined from the CRP report whether charter schools lead to more racially isolated schools; the RAND study remains the best research available.

Yet charter schools remain primarily an urban strategy. The National Charter School Research Project reports that 89 percent of U.S. school districts "have no charter schools within their boundaries, perhaps in large measure because so many school districts are so very small." (Lake, 2010)

Conclusion

It is clear that charters are poised for another growth spurt. Through its Race to the Top competition, the U.S. Department of Education is providing a powerful incentive for states to boost their support for charters.

Consequently, it's imperative that more research and education be done. Charters are largely misunderstood – only 41 percent of voters even know that charter schools are in fact public schools. The incomplete research base behind charters means that many states may be heading into a reform strategy without a clear understanding of how charter schools work best, or how they interact with and affect traditional public schools. Charter schools need more research, oversight, and true evaluation to fulfill their purpose of being laboratories that traditional public schools can learn from.

Questions for researchers

- What are the ingredients that contribute to charter school success? Do smaller class size, longer days, parent involvement, or freedom from collective bargaining and other regulations play a part? What about the local school district role? What variables count most?
- What effects do different governance models have on positive charter school outcomes?
- What interaction exists between traditional and charter public schools? Is there any evidence of shared ideas and information? Innovation? Does the charter's authorizer affect the results?
- How do charter schools affect traditional public school funding?
- What are charter schools' effects on local school districts in terms of funding, governance, logistics and accountability, as well as performance?

Questions for school boards

The emphasis on charter schools by the current administration means that this particular strategy is not going away. However, considering the lack of a research base, school boards need to be careful in implementing or considering this strategy. Some questions to consider are:

- Which agencies does our state empower to authorize charter schools? How does the local school board fit into the authorizing process?
- What is our opinion of, and relationship with, EMOs?
- What is the state process for evaluating whether local charter schools are in fact improving achievement? What is the local role?
- Is there a process for closing underperforming charter schools prior to their renewal date? How long is the timespan before renewing a school's charter? What is the local school district role?
- Does our state have caps or an appeals process for the creation or removal of charter schools?
- What is the interaction between charter and traditional public schools? Does it matter if the local school board was the authorizer, or if there was another authorizer?
- What lessons could we apply from local or national charter schools about school size, instruction, etc. to our traditional public schools?

This document was prepared for the Center for Public Education by Eileen M. O'Brien and Chuck Dervarics. O'Brien is an independent education researcher and consultant in Alexandria, Virginia. Much of her work has focused on access to quality education for disadvantaged and minority populations. O'Brien has a Master of Public Administration from George Washington University and a Bachelor of Science degree in psychology from Loyola University, Chicago. Chuck Dervarics is an education writer and former editor of Report on Preschool Programs, a national independent newsletter on pre-k, Head Start, and child care policy. As a writer and researcher, he has contributed to case studies and research projects of the Southern Education Foundation, the American Council on Education, and the Massachusetts Board of Higher Education, often focusing on issues facing disadvantaged populations. Dervarics has a Bachelors degree from George Washington University.

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Excerpt from *"The Death and Life of the Great American School System – How Testing and Choice Are Undermining Education"* by Diane Ravitch.

"A national study in 2009 concluded that students in most charter schools performed no better than those in traditional public schools. Researchers at Stanford University, led by economist Margaret E. Raymond, analyzed data from 2,403 charter schools in fifteen states and the District of Columbia (about half of all charters and 70 percent of all charter students in the nation at the time) and found that 37% had learning gains that were significantly below those of local public schools; 46 percent had gains that were no different; and only 17 percent showed growth that was significantly better. More than 80 percent of the charter schools in the study performed either the same or worse than the local public schools. Raymond concluded, "This study reveals in unmistakable terms that, in the aggregate, charter students are not faring as well as their traditional public school counterparts. Further, tremendous variation in academic quality among charters is the norm, not the exception. The problem of quality is the most pressing issue that charter schools and their supporters face." The Stanford study created demographic matches between students in charter schools and local public schools. The results were sobering, especially since the study was funded by such pro-charter groups as the Walton Family Foundation and the Michael and Susan Dell Foundation."